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**Mr. Vincent Vanvourellis
Wakefern Food Corporation
355 Davidson Mills Road
Jamesburg, New Jersey 08831**

Dear Vince:

Our 1996 Retail and Wholesale Partners Programs will be announced in mid November. Prior to that announcement I would like to make some important points regarding our merchandising position in Shop Rite for 1996:

- **As a company R. J. Reynolds strongly supports the Retailer taking advantage of all Industry Retail Display Allowances. We are well aware that our main competitor is advocating their "Exclusivity Program". At the same time I'm sure that Wakefern supports satisfying 100% of their cigarette purchasing customers Vs. the 49% that purchase Philip Morris Brands.**
- **Maximized Industry Retail Display Allowances only account for 12% of Category Income. The remaining 88% is derived from actual sales. "Over merchandising" any single manufacturer negatively impacts both sales, and promotion. Bottom line, there is room for all companies and their Programs.**
- **RJR recognizes the importance of the Cigarette Category in the Supermarket Segment. Again in 1996 we will have a full range of innovative carton and package/promotion merchandisers available to your Members that sell cigarettes self-service or non self-service. Our Retail Partners Program will be available to all Members regardless of their Merchandising Direction. In many instances, Member Stores' RJR Payments will increase over for 1996.**
- **Our current Co-Marketing Promotion Accrual Program will continue in 1996. Again, as in 1995, accrued promotion dollars will be used to fund the Price Plus Program.**

"We work for smokers."

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Although I haven't given you details, I believe that you can sense the direction we will be taking for the coming year. Again, that direction is to grow Wakefern Sales in the Cigarette Category. If your business grows, our business grows!

I'm looking forward to meeting with you to discuss our 1996 Retail and Wholesale Partners Program in the very near future.

Best Regards,

Nick
G. N. Kuruc, Jr.

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